TERMS AND CONDITIONS
on use of Internet Banking system and DIGIPASS device

1. GENERAL PROVISIONS

Terms used in the Agreement:

Bank - AS Expobank, reg. No. 40003043232;

Customer – a person who opened an on-demand deposit account with the Bank and enters the Agreement on Use of Internet Banking System and DIGIPASS device;

Internet Banking system (IB system) – a remote management system for managing the on-demand deposit account, payment card account and other accounts, for rendering services, for performing banking transactions and online information exchange between the Customer and the Bank via the Internet from one workstation;

User – the Customer's representative stated in the Agreement who is authorised to use the IB system on behalf of the Customer and who is identified as the Customer when login the IB system;

Login name – a combination of digits and Latin characters used to identify the Customer;

User password – a combination of digits and Latin characters that grants the Customer access to the IB system and the start for using it;

Authorisation password – a combination of digits and Latin characters that used as an auxiliary identifier for submitting electronically signed Orders in the IB system;

Passwords – the User password and Authorisation password together;

User Manual – the Bank's issued document that the Customer should read upon signature hereof and that explains how to operate the IB system;

DIGIPASS device – an electronic device (authorisation tool) used for generating unique passwords to login to the IB system and to authorise (sign electronically) all types of the Customer's Orders and other documents, to ensure and verify authenticity of such Orders if they are transferred via the IB system;

Account – the Customer's any on-demand deposit account, payment card account or another account with the Bank that the Customer may manage via the IB system;

Order – a payment order, application, notice or another document submitted by the Customer via the IB system to receive a service and/or to perform an account management transaction at the Bank;

Electronic signature – logically related electronic data included in the Order, which confirm the Customer's identity and ensure authorisation and authenticity of the Order. The Electronic signature is calculated in the DIGIPASS device;

Regulations – the General Regulations for Provision of Banking Services of the Bank;

Pricelist – the Pricelist for banking transactions and other financial services.

1.1. The Customer's signature certifies that they have read the Agreement, terms and conditions hereof, the Regulations, User Manual and the Pricelist, understand them and agree with them, acknowledge them as binding upon themselves and undertake to comply with them.

1.2. The Agreement takes effect once it has been signed by the Customer and the Bank.

1.3. Legal relations between the Parties are regulated by the Regulations as far as stated otherwise in the Agreement. In case of conflicts between provisions of the Regulations and of the Agreement, the latter shall prevail.

1.4. The Customer is responsible for authenticity and completeness of the data submitted to the Bank. In case of providing untimely, untrue or incomplete data, the Customer shall compensate the Bank all losses incurred by it due to that and the Bank is not responsible for the Customer's losses incurred due to untimely, untrue or incomplete information.

1.5. By signing the Agreement the Customer agrees that the Bank may at any time introduce limits to the use of the IB system, services rendered and transactions performed via the IB system.

1.6. The Customer must pay the Bank a commission fee for the Bank's rendered services according to the Pricelist effective at the time, as well as compensate the Bank all expenses incurred by the Bank due to actions required to fulfil the Customer's Orders and any other related expenses according to the Regulations. The Customer pays the commission fees and compensates expenses in the currency stated in the Pricelist or set by the Bank. The Bank may receive a fee for every service pursuant to the Pricelist and other amounts due to the Bank without the Customer's consent and Order and without prior warning. The Bank writes off such amounts from any of the Customer's accounts with the Bank, besides, the Bank deducts the fee for the service rendered first and then executes the Customer's Order.

1.7. The Customer may obtain information and manage their monetary funds on accounts (to manage accounts) with the Bank via the IB system by sending authorised banking transaction Orders 24/7. The Bank accepts and executes Orders during the Bank's business hours and pursuant to provisions of agreements entered by the Customer and the Bank, Regulations, Pricelist, the procedure described in the Bank's regulatory documents, and requirements of legal acts of the Republic of Latvia.

1.8. The Parties recognise Orders sent via the IB system, if prepared and sent to the Bank using the correct Login name, Passwords and Electronic signature, as valid and effective documents equal to the originals signed by the Customer's representative and such Orders act as a basis for making respective entries, gathering information, settling disputes at any institution, submitting documents to tax authorities or other state and municipal authorities, and the text thereof cannot be challenged.

1.9. The Bank may amend these terms and conditions at any time with a written (also electronic) notice to the Customer 10 (ten) days prior to such amendments taking effect. If the Customer has not objected in writing (also electronically) to amendments to the terms and conditions within 10 (ten) days after the notice, it is considered that the Customer has agreed thereto. If the Customer objects to amendments to the terms and conditions, the Customer may unilaterally terminate the Agreement prior to the amendments taking effect. The Agreement is terminated not later than within 10 (ten) days after receipt of the Customer's notice. The Customer must fulfil all their liabilities towards the Bank before termination hereof. The Bank may unilaterally amend the Regulations, Pricelist and the Bank's regulatory documents as described in the Regulations.

1.10. The IB system's services are available in the Internet (address: https://secure.ltbbank.com) in the online mode 24/7, except execution of Orders that the Bank executes during its business hours or as described in the Pricelist.

2. CUSTOMER'S REGISTRATION IN IB SYSTEM AND USE OF DIGIPASS DEVICE

2.1. Upon the first login to the IB system and prior to using it, the Customer must change the Login name and Authorisation password. If the Customer fails to fulfil the duty stated herein, the Bank shall not be responsible for the Customer's losses related thereto.

2.2. All functions of the DIGIPASS device can be accessed by entering a 6-digit PIN code. The initial PIN code is issued (disclosed) to the Customer upon issue of the DIGIPASS device. The Customer must change the initial PIN code upon receipt of the DIGIPASS device. After the Customer has changed the initial PIN code, they are the only person who knows it and may change it independently.

2.3. After the Customer's first login to the IB system and change of Passwords, they are the only person who knows the Passwords and may change them independently. If the Customer forgets the Passwords, the Bank allows the Customer enter new Passwords after Customer identification.

2.4. The Customer's Passwords, Login name, PIN code and DIGIPASS device are secret information of the IB system. Once the Customer has received them, the Customer undertakes full responsibility for their use and storage. The Bank does not accept the Customer's references, refusals and claims regarding illegal use of the Passwords, Login name, PIN code and DIGIPASS device by third parties.

2.5. If secret information of the IB system was or could be disclosed to third parties, including loss or theft of the DIGIPASS device or loss of the DIGIPASS device's PIN code or Passwords and other IB system data, the Customer must promptly notify the Bank thereof. The Bank shall not be responsible for payments and other transactions with funds on the account performed using the correct Electronic signature before the Bank received the Customer's written notice on blocking the IB system and/or the DIGIPASS device.

2.6. Upon receipt of the Customer's notice on disclosure of IB system's secret information, the Bank blocks the Customer's access to the IB system and/or use of the DIGIPASS device within the Bank's 1 (one) business day.

3. CUSTOMER'S ORDERS

3.1. The Customer must prepare Orders precisely and correctly. Orders must be prepared pursuant to requirements of the Regulations and the Bank's regulatory documents by fully stating correct details of the beneficiary. The Bank shall not be responsible for delays in sending notices and documents, their loss, transfer errors or distortions resulting from actions of mail/data carriers, lack of or damages to communication equipment, Internet or other technologies, or any other circumstances beyond the Bank's will and control. The Bank is not responsible for losses and other extra expenses of the Customer and third parties that might occur in the case described in this clause.

3.2. The Bank executes Orders according to their content and without verifying correctness and legality of the payment and other transaction details that the Customer stated in the Order. However, if they obviously do not match the details that are available to the Bank and correct, the Bank may but is not obliged to suspend Order execution and to request additional instructions and guidelines that would specify those received before. Extra expenses incurred by the Bank in this regard shall be covered from the Customer's funds and pursuant to the Pricelist in place at the time.

3.3. When preparing Orders or taking any other actions enabled in the IB system, the Customer must act with utmost care following the procedure stated in the User Manual and the Bank's other regulatory documents.

3.4. If the Customer needs help or assistance in issues related to use of the IB system, the Customer may call or visit the Bank in person.

3.5. The Customer must ensure an environment that would restrict unauthorised access of third parties to the IB system and the Customer understands and undertakes all risks related to use of the IB system, DIGIPASS device and electronic communication tools outside the Bank.

3.6. The Customer must authorise, i.e. approve with the Electronic signature each Order submitted to the Bank via the IB system. The Customer certifies that they agree that the Bank may but is not obliged to request, at its discretion, additional information and confirmation from the Customer for their more precise identification or Order confirmation.

4. LIABILITIES AND RESPONSIBILITY OF PARTIES

4.1. The Bank must provide the Customer with information on balances on the accounts connected to the IB system, on cash flows thereon, Orders submitted, as well as take other actions related to use of the IB system pursuant to the Agreement, terms and conditions hereof, Regulations and User Manual.

4.2. The Bank may suspend Order execution and request additional instructions and guidelines that would specify those received before, as well as request additional information and acknowledgements from the Customer for their better identification or Order confirmation.

4.3. The Bank is entitled not to execute the Customer's Order if:

- the Order was filled in imprecisely, incorrectly, incompletely or it does not match the Bank's set form and requirements;
- the Bank does not render the service stated in the Order;
- the Bank has suspicions regarding the Customer's identity or authenticity of the Order and the Bank failed to contact the Customer to verify their identity or confirm the Order;
- the Customer violates provisions hereof and requirements of the User Manual;
- the Customer's Order is unclear or distorted due to interruptions in operations of communication tools;
- monetary or other funds on the Customer's account are insufficient to execute the Order and pay the Commission fee;
- the Customer's limits in the IB system or other limits and restrictions have been violated;
- the Customer ignores the Bank's other requirements.

4.4. The Bank does not approve the paperback orders submitted via the IB system that could not be executed as of their submittal to the Bank due to insufficient funds on the Customer's account.

4.5. The Customer must comply with the IB system's use procedure stated in the User Manual and meet the Bank's technical requirements regarding use of the IB system.

4.6. The Customer undertakes responsibility and all risks regarding unauthorised use of the IB system and electronic communication tools.

4.7. The Customer undertakes all risks and responsibility for losses resulting from:

- erroneous or distorted transfer of the Order or another document, including misunderstanding, lack or interruptions of operations of technical communication environment, as well as other cases of illegal actions on behalf of third parties as far as it does not result from the Bank's gross negligence;
- duplicate Orders or other documents;
- the Customer/their representative passing the IB system (the PIN code, DIGIPASS device or Passwords) to a third party for use and such third party using the IB system;
- the Customer violating terms and conditions hereof.

4.8. The Customer undertakes all risks related to sending the Passwords, DIGIPASS device and its PIN code to the Customer. For this purpose, the Bank may employ services of third parties but, in this case, the Customer should confirm the fact of receipt in a form acceptable for the Bank. The Bank retains the rights to restrict the Customer's access to the IB system, to disable the IB system, Passwords and DIGIPASS device until the confirmation is received. The Bank shall not be responsible for loss of the package, its delivery delay and other possible extra expenses incurred by the Customer and/or third parties and related to the package delivery, as well as other circumstances beyond the Bank's control.

4.9. The Customer is responsible for all actions taken via the IB system if such actions were taken by the Customer, their representative , User or another person whom the Customer had disclosed the IB system's secret information and if such actions were taken using the DIGIPASS device. This provision shall not apply if the Customer notified the Bank in writing of blocking the IB system use and/or the DIGIPASS device prior to such actions.

4.10. The Bank may block the Customer's access to the IB system and/or the DIGIPASS device for security reasons when the Bank suspects unauthorised or fraudulent use of the IB system or DIGIPASS device. The Bank shall not be responsible for losses and other extra expenses of the Customer and third parties that might occur in the case described herein.

4.11. The Bank shall not be responsible for losses caused to the Customer in case of intrusion in the IB system and manipulations with the Customer's account resulting from illegal actions of third parties. In this case, the Bank must turn to law enforcement authorities and the Parties shall jointly take all actions to tackle the consequences resulting from such illegal actions by filing respective claims against respective third parties.

5. FINAL PROVISIONS

5.1. Throughout validity hereof, the Parties act pursuant to substantive and procedural law in place in the Republic of Latvia. The Parties shall settle all disputes arising throughout validity hereof in negotiations. If a decision acceptable for both Parties cannot be reached in negotiations, the Parties may file such dispute, at the claimant's choice, in court of the Republic of Latvia or in the Court of Arbitration of the Association of Latvian Commercial Banks (registered with the Arbitration Court Register under the No. 40003746396). If the respective dispute is passed to the Court of Arbitration of the Association of Latvian Commercial Banks, such dispute shall be considered pursuant to the Statutes, rules and regulations on the ALCB Court of Arbitration costs, in the presence or one arbitrator, based on written proof and files (proceedings in writing) submitted, the language of the proceedings shall be Latvian to court according to the procedure stated in legal acts of the Republic of Latvia.

5.2. The Customer agrees that the Bank will register all their actions taken via the IB system and will use these records, if necessary, to ground the services rendered and Orders executed and to prove fulfilment of transactions.

5.3. The Agreement is signed for an indefinite term.

5.4. Each of the Parties may unilaterally terminate the Agreement without explaining the termination reason and with notice to the other Party 10 (ten) days in advance.

5.5. The Agreement will be terminated automatically if the Bank has terminated business relations with the Customer and the Customer's all accounts with the Bank have been closed.

5.6. In any case, termination of the Agreement shall not release the Customer from the duty to pay the Bank all outstanding commission fees, to repay expenses, to cover losses, as well as to fulfil all other liabilities that had occurred during validity hereof.

5.7. The Agreement is prepared in 2 (two) copies in English with equal legal effect. One copy is stored with the Bank and the other – with the Customer.

5.8. If any clause hereof becomes null and void or comes into conflict with legal requirements due to amendments to legal acts of the Republic of Latvia, only such clause will become null and void, whereas the remaining part hereof shall remain effective.